



Foreign-Trade Zone No. 75

What are Foreign-Trade Zones?

Foreign-Trade Zones (FTZs) are designated areas licensed by the Foreign-Trade Zones Board at which special customs procedures may be used. The FTZ program was established to encourage and expedite U.S. participation in international trade, and is a mechanism for companies to manage their duty payments. Foreign-Trade Zones are considered outside the U.S. Customs territory so goods received into FTZs are generally not subject to duties, tariffs, or quotas until, and if, they leave the zone.

Types of Foreign-Trade Zones

- Magnet Site: for multiple users
- Usage-Driven Site: for single user
- Subzone: for single user

Advantages

- Duties are paid when goods enter U.S. Customs territory; therefore, a company can determine when duties will be paid by choosing the amount of product to bring into U.S. Customs territory.
- Merchandise may be exported out of the U.S. duty free (NAFTA rules apply).
- User may pay the lower duty rate applicable to either component materials or merchandise produced. In some cases, the rate may be zero.
- Duties are reduced or eliminated on merchandise that is obsolete, damaged, defected, scrapped or wasted.
- Weekly entries vs. entry per shipment.
- Arizona offers a 75% reduction in real and personal property taxes for activated FTZs.

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Requirements

- City Council approval from community where zone site will be located
- City of Phoenix City Council approval
- Application fee payable to the City of Phoenix per current Zone Schedule
- Concurrence letters from local tax jurisdictions (if applicable)
- Approval by Port Director for activation
- Operations Agreement
- Annual fee payable to City of Phoenix per current Zone Schedule
- Submission of Annual Report
- Operations subject to requirements of U.S. FTZ Act, FTZ Board Regulations, and U.S. Customs Regulations.

FTZ 75 Active Zones

- Abbott Laboratories** – Casa Grande
- American Italian Pasta Company** - Tolleson
- Conair Corporation** – Glendale
- Gap, Inc.** - Phoenix
- Goodrich** - Phoenix
- Intel** - Chandler
- Microchip Technology** – Chandler and Tempe
- Orbital Sciences** – Gilbert
- PetSmart** - Phoenix
- SUMCO Southwest Corporation** – Phoenix
- TJX Companies Inc.** – Phoenix
- Western Digital** - Phoenix

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